

General Services Administration

543.205

PART 543—CONTRACT MODIFICATION

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AUTHORITY: 40 U.S.C. 486(c).

SOURCE: 54 FR 26554, June 23, 1989, unless otherwise noted.

Subpart 543.1—General

543.102 Policy.

A modification for work outside the scope of a contract must be treated as a new procurement. Such modifications must be justified and approved under FAR Subpart 6.3, synopsisized under FAR Subpart 5.2 and Subpart 505.2, and effected through a supplemental agreement.

543.170 Changes in designated subcontractors, inspection and/or production points.

(a) The contracting officer shall not execute a contract modification that authorizes a change in a designated subcontractor or any designated inspection or production point, without considering the impact of the change on the contractor's ability to fulfill the terms and conditions of the contract. When considering the impact, the contracting officer should consider the same factors that would be considered in evaluating whether a contractor is responsible. (See FAR Subpart 9.1 and Subpart 509.1.)

(b) If the contracting officer approves a change of subcontractor, inspection point, or production point, the contracting officer shall issue a contract modification specifying the nature of the change and the effective date. Where feasible, the modification should provide that delivery orders placed before the effective date will remain in effect as written. In determining the effective date, contracting officers should take into consideration the

time necessary for offices concerned to take required actions.

Subpart 543.2—Change Orders

543.202 Authority to issue change orders.

(a) A contracting officer's representative (COR) for a construction contract that has been issued a warrant under 501.603-70, may be authorized to issue change orders. (See 542.302.) Such change order authority may be exercised on a contract-by-contract basis by the contracting officer's written authorization. The contracting officer may further limit the authorization, e.g., to lower dollar amounts, to emergency situations, etc. In addition, the contracting officer's written authorization must instruct the COR to avoid personally performing all of the following tasks for a single change order: (1) Determining the need for change, (2) Preparing the Government's cost estimate, (3) Conducting negotiations, (4) Issuing the change order and (5) Inspecting the work. The contracting officer shall further instruct the COR to submit change orders to a designated official for review before issuance (for price-to-be-determined-later change orders before definitization) whenever all of these activities are personally performed. The contracting officer may personally review change orders or may designate the COR's immediate supervisor or a higher-level official within the organization to review change orders. To the maximum extent possible, the same individual should review change orders issued under a particular contract.

(b) Change orders should be issued after coordination as appropriate, with counsel, quality control, finance, audit or other technical personnel.

[58 FR 52445, Oct. 8, 1993]

543.205 Contract clauses.

(a) The contracting officer shall insert the clause at 552.243-70, Pricing of Adjustments, in solicitations and contracts when the contract amount is expected to exceed the simplified acquisition threshold and a contract other than a cost type contract is contemplated.